

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE: Chapter 7
Case No. 22-10293 (BLS)
EAM 40 MEADOW LANE, LLC,
Debtor.

IN RE: Chapter 7
Case No. 22-10294 (BLS)
EZL 40 MEADOW LANE, LLC
Debtor.
Courtroom No. 1
824 Market Street
Wilmington, Delaware 19801
Monday, May 2, 2022
10:00 a.m.

TRANSCRIPT OF ZOOM HEARING
BEFORE THE HONORABLE BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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1 (Proceedings commenced at 10:01 a.m.)

2 THE COURT: Good morning, all.

3 This is Judge Shannon. I understand from the
4 court reporter that all necessary parties have joined.

5 Before we go any further, can I get a thumbs-up
6 that people are able to see and hear me. All right. I see a
7 lot of thumbs. That's good news on a Monday morning.

8 This is a hearing in the matter of EAM 40 Meadow
9 Lane, LLC, a Chapter 7 case. The case number is 22-10293.

10 What I have before me is the trustee's expedited
11 motion for an order approving the stipulation between the
12 trustee and YH Lex Estates. I have received a number of
13 letters to the Court from parties that were filed last week
14 and I have also received the debtor's opposition, which I
15 believe was filed on Friday evening, and I've had an
16 opportunity to review that, and I have the debtor's amended
17 agenda or the trustee's amended agenda.

18 I will hear first from counsel to the trustee.
19 Good morning, Mr. Carroll. Good to see you.

20 MR. CARROLL: Good morning, Your Honor. Thank
21 you.

22 Your Honor, I thought what I might do is just give
23 a brief background and then go from there. What we're
24 dealing with in connection with the two cases is two Delaware
25 LLCs; the one being EAM 40 Meadow Lane, LLC, which has its

1 sole asset -- it has as its sole asset, a residence which was
2 located at 40 Meadow Lane in Southampton, New York, on what
3 was known as Billionaires' Row. That's what I'm going to
4 refer to today as "the property."

5 The other LLC is EZL 40 Meadow Lane, LLC, and that
6 holds the 95 percent member interest in the other debtor, in
7 the EAM debtor. And a gentleman by the name of Nir Meir owns
8 the other 5 percent of EAM.

9 With regard to the EZL debtor, there -- it is
10 subject to some dispute as to whether Nir Meir owns 100
11 percent of the membership interest or his wife, who is Rane
12 Bartolacci, owns 95 percent and Mr. Meir owns 5 percent.

13 The trustee, and I think you've probably seen it
14 in some of the letters, Your Honor, has been advised that
15 Justice Cohen, who's presiding over what's been defined as
16 "the proceeding," has ruled that Mr. Meir is *estopped* from
17 denying that he has the 100 percent membership interest.

18 What has triggered all this activity is the fact
19 that the property was sold by EAM on April 5th of 2021 for
20 \$42,923,600 and from those sale proceeds, Mr. Meir
21 (indiscernible) certain payment transfers in May, including
22 many different transfers, including two of particular
23 interest, which is \$10,587,387, which was distributed to
24 Rane Bartolacci, his wife, and \$2 million to Ermitage One,
25 LLC, which is an entity purportedly controlled by

1 Ms. Bartolacci.

2 Today, the trustee is seeking approval of a
3 stipulation between himself and an entity by the name of "YH
4 Lex Estates, LLC," which is intended to prevent the further
5 dissipation of sale proceeds and to recapture the same so
6 they can be administered by the bankruptcy estates. YH Lex
7 Estates, LLC, which is the counterparty to the stipulation is
8 a judgment creditor of Nir Meir, holding a judgment for some
9 \$20 million and has engaged in extensive discovery
10 surrounding execution in an effort to recover on his
11 \$20 million judgment; however, I want to point out to the
12 Court that YH Lex Estates is not presently a creditor of the
13 bankruptcy estate.

14 So, with that background, I just want to run
15 through the stipulation to outline what it does provide and
16 what it does not provide. At its core, the stipulation
17 provides that a special proceeding by YH Lex Estates
18 scheduled for trial this Tuesday, tomorrow, could be remanded
19 from the United States Bankruptcy Court in the Southern
20 District of New York, where it had been removed by Mr. Meir,
21 back to the Supreme Court of New York. That underlying
22 proceeding seeks multiple types of relief. It seeks turnover
23 of certain assets, it seeks an accounting, and it also seeks,
24 basically, a determination of fraudulent conveyance, with
25 respect to payments, which were made to Ms. Bartolacci and to

1 Ermitage One. They seek to avoid that transfer. Those sale
2 proceeds that came from the property of EAM to Ms. Bartolacci
3 and Ermitage One, and it seeks that as a fraudulent
4 conveyance, an independent action that the creditor would
5 hold on YH.

6 Now, what does the stipulation provide for benefit
7 of the estates? It actually provides a lot. It resolves the
8 issue that any recoveries by YH for Bartolacci or Ermitage
9 resulting from the special proceeding are property of the
10 estate of EAM. So, it resolves that issue.

11 It resolves that many (audio interference) with
12 respect to the proceeding, will be held by the estate of EAM
13 by the trustee and that they'll be distributed in accordance
14 with the Bankruptcy Code's priority scheme under 726.

15 It resolves in Section 4 that any compromise or
16 settlement of the proceeding or the judgment entered in the
17 proceeding is subject to approval, not only of the trustee,
18 but also of the Bankruptcy Court. It contains, also in
19 Section 4, a recognition of the trustee's right to intervene
20 in that special proceeding. It also provides that YH agrees
21 to assist the trustee in reviewing claims asserted against
22 the debtors in the bankruptcy case and to provide background
23 knowledge and information regarding each claim asserted.

24 It provides the benefit of an imminent trial to
25 prevent the continuing passage of time which will enable

1 dissipation and spending of EAM's sale proceeds.

2 Now, having received all that benefit to the
3 estate, what did the estate give up in the stipulation?
4 Candidly, I think they gave up very little. They gave up the
5 stay and the ability to transfer the special proceeding to
6 this court for a trial down the road. It should be noted on
7 the form that a jury trial had been demanded in connection
8 with that proceeding. It also had the estate, to the extent
9 that YH made recoveries from Bartolacci or Ermitage, the
10 trustee consented to YH being granted a claim pursuant to
11 503(b) for a substantial contribution; however, it should be
12 noted that that's subject to an application by YH upon
13 approval by the Court -- by the Bankruptcy Court. And the
14 trustee reserved the right to review and object to
15 reasonableness of the amount.

16 So, the trustee in that provision is merely
17 consenting that he would not oppose the 503(b) in the event
18 that money is brought into the estate, but it is still
19 subject to application and the Bankruptcy Court's approval.

20 THE COURT: Mr. Carroll, if I can, while you're on
21 the terms of the stipulation, at paragraphs 49 through, I
22 think, 54 of the debtor's response in opposition that was
23 filed over the weekend, there is a concern expressed about
24 the trustee's ability to anoint Mister, or YH with standing.
25 And I'm looking at, I think, specifically, paragraph 7 of the

1 stipulation, and I just want to make sure I understand.

2 The stipulation provides that the trustee
3 consents, but if I were to approve the stipulation, I don't
4 read this -- and I'd like clarification from the trustee -- I
5 do not read this to mean that I have provided or granted
6 standing to YH. That would be the subject of a further
7 proceeding. What YH has and what the estate has is an
8 understanding that Mr. Miller would not object to that sort
9 of a request.

10 Do I understand that correctly, Mr. Carroll?

11 MR. CARROLL: That is correct, Your Honor.

12 THE COURT: Okay.

13 MR. CARROLL: I believe it indicates that in that
14 Section 7 of the stipulation, it's a mere consent and it
15 actually indicates that others may object to that standing
16 and that the trustee would support the efforts to get
17 standing, but it's still subject to the Court's approval and
18 objection by other parties.

19 THE COURT: So noted. You may proceed. Sorry for
20 the interruption.

21 MR. CARROLL: Your Honor, the estate also agreed
22 that provided that if there are any recoveries in the
23 proceeding or on account of enforcement of the judgment comes
24 out of that proceeding from Bartolacci or Ermitage, and that
25 those funds are turned over to the trustee as property of the

1 estate, that once the trustee has completed distribution of
2 those funds to EAM's creditors who hold allowed claims, then
3 the trustee agreed to make a distribution to YH as the sole
4 economic interest holder of EZL's interests in EAM.

5 Now, what should be noted is that it provides that
6 it's pursuant to and to the extent of the Meir judgment and a
7 charging order, again, very similar to the last provision
8 that we were just talking about, to which the trustee
9 consents, but there would still need to be that charging
10 order that would be in place, and the trustee has agreed that
11 he's consenting with respect to the charging order. As Your
12 Honor is probably aware, the charging order would be, because
13 these are Delaware LLCs, would have to be obtained under
14 Title 6, Chapter 18, Section 18703; that's the methodology
15 for the creditor to be able to basically execute on the
16 distribution interests out of that LLC.

17 I should also point out in connection with that
18 provision that with respect to the bankruptcy schedules for
19 EZL, there are three claims that are listed. Those same
20 three claims are listed in the schedules of EAM. So, this
21 provision, again, only kicks in once all of the allowed
22 claims have been addressed in EAM and, accordingly, the three
23 claims in EZL would have also, by necessity, have been
24 addressed because they are claims against EAM.

25 Your Honor, that's basically the recitation (audio

1 interference) of the stipulation itself. And perhaps you
2 want to hear from other parties at this point, but I was just
3 going to put Mr. Miller on briefly and ask him a few
4 questions concerning the recitation that I just provided, and
5 he would be available for cross-examination if the Court
6 would so desire.

7 THE COURT: Okay. I think -- thank you,
8 Mr. Carroll -- I think it would be appropriate to hear from
9 other parties at this point. And, of course, you'll have an
10 opportunity to offer Mr. Miller's testimony in support of the
11 relief that she's seeking today.

12 But at this point, I think what I'd like to do is
13 hear from counsel to YH and at that point, then, I think the
14 parties that are supportive of the stipulation would then
15 both be heard and everybody would be able to respond to the
16 collection of comments. So, I'll hear from counsel for YH
17 Lex.

18 MR. KLESTADT: Your Honor, good morning. Tracy
19 Klestadt and Kathleen Aiello of Klestadt Winters Jureller
20 Southard & Stevens, counsel for YH; also, our local counsel,
21 Julia Klein is on the line, as well. Your Honor entered an
22 order granting permission for us to appear *pro hac vice*.

23 Your Honor, you and I crossed paths while you were
24 in private practice. I think this may be the first time I
25 have had the privilege of appearing before you.

1 THE COURT: Well, good morning and welcome.

2 MR. KLESTADT: Thank you, Your Honor.

3 Your Honor, I have nothing substantive to add to
4 Mr. Carroll's presentation. I believe he cogently and
5 succinctly presented to Your Honor the terms of the
6 stipulation.

7 I would point out, Your Honor, in terms of the
8 State Court proceeding, that at 2:30 this afternoon, Justice
9 Cohen has scheduled argument on the summary judgment motion.
10 If he does not grant the summary judgment motion, the parties
11 are scheduled to pick a jury tomorrow at 9:30 a.m. So,
12 unless Your Honor denies approval of the stipulation, the
13 State Court proceeding is on track and will proceed in due
14 course today and tomorrow.

15 Your Honor, it's our position that these
16 bankruptcy filings were engineered as a delay tactic to
17 prevent the State Court trial from going forward. We believe
18 that there are no legitimate creditors of EZL and EAM. The
19 creditors that were listed, Your Honor, substantially all of
20 them were paid at the closing of the sale of the property;
21 for example, the mortgage claim and the claim of one
22 contractor were paid. We believe they were paid in full.
23 And once a claims reconciliation process is undertaken, it
24 will be demonstrated that there are no actual claims of these
25 debtors.

1 I think, Your Honor, the procedure that we've
2 entered into with the trustee sufficiently protects the
3 interests of the estate and does not rush to justice, if you
4 will, a decision with respect to whether or not there are
5 claims against the estate. We agreed to put proceeds of any
6 recovery into the estate in order to -- in order that any
7 estate interests could be protected, but at the same time,
8 allowing the recovery proceedings, if you will, to go forward
9 in an expeditious manner.

10 We would ask Your Honor to approve the stipulation
11 and, of course, we are available to answer any questions that
12 Your Honor may have.

13 THE COURT: Thank you, Mr. Klestadt.

14 Before I turn to any parties in opposition, are
15 there any other parties participating today that would be
16 supportive of the stipulation, that wish to be heard?

17 (No verbal response)

18 THE COURT: Very good. Then I think I would hear
19 first from counsel for the debtors. I believe I have both,
20 correspondence, as well as the formal response that was
21 filed, and I would be happy to hear from counsel.

22 I see Ms. Tancredi this morning. Good morning.
23 Good to see you.

24 MS. TANCREDI: Good morning, Your Honor.

25 THE COURT: Good morning.

1 MS. TANCREDI: It took a while for me to be sure
2 that my mute was off.

3 THE COURT: No problem. Thank you.

4 MS. TANCREDI: Yes, I think it is appropriate to
5 talk a little bit about the background of these cases and
6 what is and what is not before the Court. I found it helpful
7 to sort of visualize a diagram of the relationship between
8 EAM, EZL, and their interest holders to sort of frame what
9 the parties' arguments are.

10 THE COURT: Is that the diagram that's on page 4
11 of your response?

12 MS. TANCREDI: Yes.

13 THE COURT: Okay.

14 MS. TANCREDI: Yes, Your Honor.

15 So, yes, so EAM formally owned real property that
16 was located in Southampton. It was sold for approximately
17 \$43 million to an unrelated third party. After payment of
18 two mortgagees and lienholders, and there was a reserve for a
19 mechanic's lien, the title company distributed net proceeds
20 of sale, \$2 million to Mr. Meir and \$12.5 million to
21 Ms. Bartolacci and Ermitage. Ermitage is an entity that is
22 100 percent owned by the Ms. Bartolacci.

23 So, to go back to the structure, so EAM is owned
24 95 percent by EZL and 5 percent by Mr. Meir. And then EZL's
25 ownership is disputed. EZL contends that 95 percent of EZL

1 is owned by Ms. Bartolacci, who is Mr. Meir's wife, and 5
2 percent by Mr. Meir. And YH, which is trying to collect its
3 judgment against Mr. Meir contends that EZL is owned 100
4 percent by Mr. Meir.

5 So, YH wants to claw back about \$12.5 million that
6 Ms. Bartolacci and Ermitage received, but YH's problem in the
7 underlying litigation was that it didn't have any claims
8 against EAM, EZL, Ms. Bartolacci, or Ermitage. So, what they
9 did, in essence, is they built themselves a one-legged tool.
10 They developed a theory that EZL was owned 100 percent by
11 Mr. Meir.

12 And you heard mention of a ruling of Judge Cohen.
13 There is considerable dispute over what Judge Cohen ruled or
14 didn't rule. That's not before Your Honor, whether it's *res*
15 *judicata* or not. It has not been briefed or properly
16 presented, so at this moment, I think we all need to conclude
17 for purposes of this hearing that it is, at best, unknown,
18 but because the debtors also filed bankruptcy schedules under
19 penalty of perjury indicating that Mr. Meir only owns 5
20 percent of EZL, that's what is before the Court right now.

21 So, YH's theory is that the sale proceeds did not
22 go from EAM to anybody else, even though EAM was the property
23 owner. Their theory is that it went right from Mr. Meir to
24 his wife and his wife's entity. At the time that these --
25 that the closing occurred, YH did not have a judgment against

1 Mr. Meir, has no claims against Ms. Bartolacci or Ermitage,
2 and basically, YH was just ignoring the fact that EAM was the
3 proper recipient of sale proceeds and then made a
4 distribution from there.

5 So, EAM and EZL filed these cases on April 6th,
6 which was less than a month ago. And immediately after the
7 cases were filed, my colleague Matthew Ward and I reached out
8 to Mr. Miller to bring him up to speed on the various suits
9 that were pending, because there's more suits that just YH's
10 suit; there's also litigation identified in the statement of
11 financial affairs that has been brought by HFZ, which is an
12 entity that formerly employed Mr. Meir. There is litigation
13 by a surety bond provider (indiscernible) claims against a
14 surety bond that EAM agreed to indemnify under an indemnity
15 agreement. And there's other litigation that's listed there.

16 So, we sent the trustee the debtor's formation
17 documents, closing documents about how the proceeds of sale
18 were distributed, pleadings. To the extent that Mr. Meir had
19 bank statements, we sent those.

20 And Mr. Meir, in the meantime, because he is a
21 party to the YH litigation, he removed that suit from State
22 Court and moved to transfer venue to Delaware. And YH moved
23 to remand and that set up a whole other proceeding in front
24 of New York.

25 Mr. Ward and I asked the trustee whether he was

1 going to take a position, you know, remand, transfer of
2 venue, please let us know what your preference is, and we
3 didn't get any answer.

4 EAM and EZL filed their bankruptcy schedules on
5 April 18th and, again, after they were filed, the debtors
6 asked the trustee what his position would be on the motion to
7 remand and the trustee didn't tell us directly; instead, what
8 we received was, the night before the hearing on the motion
9 to remand, we received a copy of the stipulation from
10 Ms. Bartolacci's counsel that had been filed in the New York
11 case. So, three weeks into the case, before the 341 meeting
12 was held, before the trustee had spoken with Mr. Meir, the
13 trustee signed a stipulation.

14 And I think Mr. Carroll summarized many provisions
15 of the stipulation, but at least in the copy that I pulled
16 off the docket, I didn't see that it was actually attached to
17 their motion to approve. So, it is like 8 pages long;
18 hopefully, Your Honor has it.

19 THE COURT: I have it and I have it as Exhibit 1
20 to the motion. I think it was with the motion when I
21 received it. If there's a snafu on CM/ECF, hopefully, we
22 can -- hopefully, everybody has the stip, so I think we can
23 move forward.

24 MS. TANCREDI: Yeah, I assumed Your Honor had it
25 and if it's a problem on my mind, I just want to be sure.

1 THE COURT: No problem.

2 MS. TANCREDI: So, yes, so, at the end of the day,
3 what the parties contemplate is that the trustee would turn
4 over a surplus to YH. But these are surplus cases;
5 otherwise, YH would never agree to enter into this
6 stipulation. It would not bear the risks of this litigation
7 and costs without having some ability to recover on the other
8 end.

9 And it's the turnover of the surplus, in
10 particular, that is extremely prejudicial to the rights of
11 EAM, because the cause of action belongs to EAM. And then
12 once EAM's creditors are paid --

13 THE COURT: But that -- right, but I just want to
14 make sure I understand. I mean, you folks filed a 7, not
15 an 11 --

16 MS. TANCREDI: Uh-huh.

17 THE COURT: -- which leads to the appointment of
18 Mr. Miller as the trustee, vested with all the authority of a
19 trustee. So, when we talk about those proceeds belong to
20 EAM, it is -- those are proceeds or assets, if any, that
21 would be under his control or authority.

22 And I think, is your concern that he's exceeded
23 his authority or he's made a deal that's unwise or
24 unfavorable?

25 MS. TANCREDI: Well, it's a little bit of both.

1 THE COURT: Okay.

2 MS. TANCREDI: It's not just prejudicial to EAM.
3 It's also prejudicial to the rights of EZL, because if EAM's
4 creditors are paid in full, then EAM would make a
5 distribution to EZL, if EAM determined that it
6 (indiscernible) would then make a distribution, and that
7 distribution would be payable to EZL's members. And so,
8 obviously, this is prejudicial to the rights of the members
9 of EZL.

10 And as Your Honor has said -- or asked, it does
11 exceed what the trustee is allowed to do or not do. Under
12 Section 726 of the Bankruptcy Code, it's very, very clear and
13 the case are clear that a surplus is to be returned to the
14 debtor and that's period, full stop. The Bankruptcy Code
15 says nothing about the trustee making a distribution to the
16 debtor's members, entering into a charging order, or having
17 any authority after that point. So, that's one way in which
18 the stipulation exceeds the power of Mr. Miller.

19 But I think to get to sort of the prejudice here,
20 I think it's important, again, to consider the context of
21 this. The debtor's 341 meeting was scheduled for April 28th.
22 On April 27th, Mr. Meir contacted his counsel -- contacted us
23 on behalf of the debtor and advised that he was ill and did
24 not think that he would be able to testify at the April 28th
25 meeting. So, I advised the Trustee's Office that we had

1 heard this from the debtor's representative and we asked the
2 trustee if he could assist us with rescheduling the meeting
3 and the trustee said the meeting would go forward, okay.

4 Mr. Meir provided a doctor's note from his
5 internal medicine physician, which I forwarded to the trustee
6 and the trustee insisted that the meeting would go forward,
7 even though the debtor's representative would not be there.
8 So, on April 28th, Mr. Miller proceeded with the meeting over
9 my objection and I don't know what he conducted and I don't
10 know the extent to which it's relevant to this proceeding,
11 but it was not a 341 meeting, because the debtor's
12 representative was not present. There was no one under oath.
13 The trustee basically read the debtor's schedules and then
14 there were various speeches made by counsel for YH and the
15 trustee, and this went on for about an hour.

16 And at the end of this exercise, the trustee did
17 not give notice of a rescheduled or continued 341 meeting
18 date. And then to my surprise on Saturday, the trustee filed
19 minutes with the Court stating that the 341 meeting had been
20 concluded when, in fact, no 341 meeting had ever occurred.

21 And the statutory purpose of a 341 meeting is to
22 examine the debtor under oath, and the debtor's participation
23 in a 341 meeting is not optional. In Section 343 of the
24 Bankruptcy Code, it says that the debtor shall appear and
25 submit to examination. Section 341(d) of the Bankruptcy Code

1 says that the trustee shall orally examine the debtor. And
2 Bankruptcy Rule 2003(b)(1) says that the business of the
3 meeting shall include the examination of the debtor under
4 oath.

5 The debtor (sic) can't skirt the requirement that
6 he examined the debtor under oath. And there's only one
7 circumstance in the Bankruptcy Code where a debtor is not
8 required to testify and that's under Section 360 -- I'm
9 sorry -- 341(e), where a Chapter 11 debtor has filed its plan
10 and has solicited acceptances prior to the case. So, that's
11 clearly not this case.

12 And then there are various cases excusing a debtor
13 from participating, but those are decided under
14 Section 105 --

15 THE COURT: Well, the matter that I want to make
16 sure that we're talking -- I mean, if this is to demonstrate
17 that perhaps, as I think you put in your papers, Mr. Miller
18 is rushing to a deal, I get that. I'm not being asked today
19 to accord any relief or reschedule or reset a 341 at this
20 point, anyway, and I have not seen minutes that were, I
21 guess, filed on Saturday. I did not review the docket, other
22 than to see the agenda and your objections that that were
23 filed.

24 You're not asking me to reopen a 341 today, right?

25 MS. TANCREDI: No, I'm not asking for that, but I

1 am anticipating, based upon some correspondence that I
2 received, that there may be an attempt to establish some sort
3 of effect of a 341 meeting having or not having occurred or
4 being concluded. So, I just wanted to get out there that our
5 position is there wasn't a 341 meeting and it certainly
6 didn't conclude.

7 THE COURT: So noted.

8 MS. TANCREDI: Thank you.

9 So, the trustee has the burden of proof to show
10 that the stipulation should be approved. He has to show that
11 it's fair and equitable. He has to show that it doesn't
12 exceed his powers under the Bankruptcy Code and last, but not
13 least, the stipulation can't deny the debtors and their
14 members of their constitutional property rights.

15 And so, for reasons that we have already stated,
16 there's nothing fair or equitable about the stipulation. The
17 stipulation also exceeds the trustee's powers. I had
18 mentioned before that Section 726(a)(6) mandates that any
19 surplus must be returned to the debtor and that this is not
20 negotiable.

21 The trustee's mandate just does not stop
22 administering Chapter 7 cases for the benefit of creditors.
23 I know that's probably 90 percent or more of the cases that
24 Mr. Miller sees, but these are surplus cases and it is
25 fundamental, it's even in the U.S. Trustee's handbook, that a

1 surplus case creates a fiduciary duty of a trustee to the
2 debtor and its members. So, Mr. Miller does owe a fiduciary
3 duty to EAM, EZL, Mr. Meir, and Ms. Bartolacci.

4 As Mr. Carroll mentioned, these debtors are
5 limited liability companies and under the Bax decision, YH
6 does not have standing to pursue derivative actions on behalf
7 of the LLC. And as mentioned in our papers, EAM, EZL,
8 Mr. Meir, and Ms. Bartolacci have constitutional property
9 rights, and so the extent to which they have a right in
10 property has to be determined by an adversary proceeding.
11 The reason it has to be determined by an adversary proceeding
12 is because it's required under Rule 4001. And adversary
13 proceedings are designed with extra procedural protections
14 that are simply not present in contested matters and
15 certainly not contested matters on shortened noticed.

16 THE COURT: So, I think I want to understand --
17 and, Ms. Tancredi, what I may do is ask, perhaps, Mr. Carroll
18 to weigh in, in response -- and I'm not interrupting your
19 presentation. I will return to you. But I want an answer on
20 this question.

21 As I read the stipulation, and particularly
22 Section 8 of the stipulation, which I think you're focused
23 on, which is the distribution of proceeds or distribution of
24 surplus, your point would be if there's a surplus, that's
25 ours. The trustee has agreed that any surplus could go over

1 to YH, but I think Mr. Carroll was pretty precise in saying
2 that that is not happening under this order; as a matter of
3 fact, the order, the stipulation is extremely clear that any
4 money would go to be held by the trustee and presumably
5 disbursed by an order of this Court.

6 Now, your point might be, I don't like the fact
7 that the trustee has agreed to not argue about this, but I am
8 not certain that it is providing for that distribution, or
9 otherwise, today, precluding you from interposing an
10 objection or otherwise being heard, because that money is
11 coming into the estate for distribution under Mr. Miller's
12 powers and this Court's authority.

13 Mr. Carroll, I think I would like -- I have spoken
14 for a while, but I think you get my drift -- I would like an
15 understanding of your perception. And it may be appropriate
16 to hear from Mr. Klestadt, as well, so that everybody is at
17 least on the same page for purposes of today as to what the
18 stipulation accomplishes and what it is not necessarily doing
19 today. I hope I have been clear.

20 Mr. Carroll, I would like your thoughts.

21 MR. CARROLL: Yes, Your Honor. I think you have
22 been clear and I think you've clearly stated that there would
23 be have to be basically a charging order in a proceeding to
24 obtain that charging order.

25 To make an analogy and to address the issues

1 concerning the distribution of surplus to a debtor, I've
2 encountered a number of situations where you may have an
3 attachment of funds that would have otherwise been returnable
4 to the debtor. The trustee would be bound by that attachment
5 order to disburse to that particular party, instead of to the
6 debtor.

7 That's really the exact same thing that happens
8 here, with respect to a charging order that gets put in place
9 for distributions. And there's going to be -- there would
10 have to be a Chancery Court proceeding, quite frankly, to
11 obtain that charging order.

12 The only thing we've done is indicated that the
13 trustee is not going to oppose that proceeding. Other
14 parties would have the ability to oppose that proceeding.

15 THE COURT: Thank you, Mr. Carroll.

16 Mr. Klestadt, I think I offered you the
17 opportunity to weigh in on that precise point and then we'll
18 return to Ms. Tancredi. I'd like your thoughts.

19 MR. KLESTADT: Yes, Your Honor. Thank you.

20 Your Honor, I think it would be helpful, if I may
21 read to you a quote from Justice Cohen on the January 31st
22 hearing on the issue of ownership of EZL and EAM. On
23 January 31st -- and this is on the transcript at page 124,
24 line 22, to page 125, line 13, Justice Cohen said, quote:

25 "Number one, it is clear to me that Mr. Meir is

1 judicially *estopped* and equitably *estopped* from denying 100
2 percent ownership. He made representations to this Court.
3 He made representations to another Court, both of which led
4 to, in part, favorable rulings in reliance on statements
5 about his 100 percent ownership. So, from Mr. Meir's
6 perspective, who is a party in this case and is clearly
7 subject to this Court's jurisdiction, he may not disclaim
8 ownership.

9 So it leaves the question of Ms. Bartolacci's
10 rights. I'm going to make that finding that Mr. Meir is
11 judicially *estopped* and equitably *estopped*. I'm not going to
12 issue a turnover order yet because I think that procedurally
13 and from an efficiency perspective, the better way to do
14 this, in part -- this part, is, in fact, to convert it to
15 a 5225(b) proceeding to give Ms. Bartolacci a chance to make
16 whatever argument she wants to make.

17 Again, my comments about the evidence being
18 overwhelming are based on the record I have in front of me."

19 So, Your Honor, I think the point is that Mr. Meir
20 is *estopped* from making any arguments that he is entitled to
21 the surplus. Other parties, such as Ms. Bartolacci, may have
22 such arguments.

23 But I agree with the trustee that we have to come
24 back to Your Honor to impose a charging order. No money is
25 going to leave the trustee's hands, except upon order of the

1 Court. That's what we agreed to and that's what the trustee
2 has agreed to.

3 THE COURT: Thank you, Mr. Klestadt.

4 Ms. Tancredi, you may proceed. I would note that
5 I do not have the transcript from which Mr. Klestadt read. I
6 understand, Ms. Tancredi, your point at the outset that, you
7 know, how you side disputes the significance or consequences
8 of rulings that have been made in the New York Court.

9 I don't want any uncertainty about it. I am not
10 ruling or commenting or otherwise weighing in. I have a
11 stipulation in front of me. That stipulation references
12 legal proceedings that are pending in another court, but I am
13 not being asked today, I think, to make findings as to what
14 was ruled or who was collaterally *estopped* at this point.

15 My question, which I interposed to Mr. Carroll and
16 to Mr. Klestadt, I think has been answered, that suggests
17 that further proceedings in this Court would be required
18 before a distribution of the surplus and I think both of the
19 counsel have confirmed that that's the case. And, again, I
20 understand that there are issues and disagreements both,
21 about the status of the New York litigation and what may
22 happen in the future, but I think it was important to get a
23 little bit of clarity on that, and for that, I appreciate
24 counsel's input.

25 But I did interrupt you and you may proceed.

1 MS. TANCREDI: Yes, Your Honor.

2 And I appreciate the interruption and the
3 clarification because the way I read the stipulation, the
4 stipulation is the charging order. I think it was very
5 carefully drafted and I don't think it was carefully drafted
6 to be clear. I think it was carefully drafted to be
7 ambiguous.

8 You know, paragraph 8 is titled "Charging Order"
9 and if you read the last, you know, the operative phrase:

10 Then the trustee shall make the -- the trustee
11 shall make the distribution directly to YH as a party in
12 interest, recognizing YH as the sole economic interest holder
13 of EZL's interests in EAM, pursuant to, and to the extent of
14 the Meir judgment in a charging order to which the trustee
15 consents herein.

16 THE COURT: Well, to the extent, I don't
17 necessarily disagree with that and to the extent that I was
18 unclear on it, that's why I asked my question. And I think,
19 again, I got a consistent response from both parties to the
20 stipulation about what its effect today is and the
21 expectation that there would be further proceedings in this
22 court or otherwise. So, I appreciate that clarity.

23 MS. TANCREDI: Thank you. So, I'm not going to
24 rehash the rest of our arguments. Again, I would like to
25 focus on the fact that these are surplus cases and so the

1 trustee has a fiduciary duty to the debtors and their
2 members, whoever those members may be.

3 And with respect to Ms. Bartolacci, he's wholly
4 abdicated that fiduciary duty.

5 THE COURT: Okay.

6 MS. TANCREDI: Thank you, Your Honor.

7 THE COURT: Sure. Thank you, Ms. Tancredi.

8 I believe that I have received correspondence from
9 counsel for Ms. Bartolacci, dated the 26th, and I'm not sure
10 if counsel is on.

11 Is that Mr. Scherling?

12 MR. SCHERLING: No, Your Honor; I'm counsel to the
13 trustee, as well.

14 THE COURT: Oh, okay.

15 All right. Is there anyone today representing
16 Ms. Bartolacci in connection with today's proceedings?

17 MS. MALIK: Yes, Your Honor, good morning.

18 This is Pankaj Malik from YK Law, LLP. My local
19 counsel, my clients, are still in the process of officially
20 retaining local counsel --

21 THE COURT: No worries at all.

22 MS. MALIK: -- so my (indiscernible) --

23 THE COURT: No worries at all. I'm happy to hear
24 you. I think I have been pretty consistent throughout my
25 career that, obviously, we take the affiliation with local

1 counsel seriously, but we also acknowledge the timing and
2 issues. I am more than happy to hear you today and we're not
3 going to sweat anything about local counsel. I would
4 appreciate your input in today's hearing and I appreciate you
5 coming.

6 MS. MALIK: Thank you so much, Your Honor.

7 So, Your Honor, I have been representing the
8 interests of Rane Bartolacci and Ermitage One, LLC in the
9 state court, in the U.S. Southern District Bankruptcy Court
10 of New York in these proceedings since about March 11th or
11 March 12th. My client became a named party in this
12 proceeding in February of this year.

13 All of this talk about this prior proceeding where
14 Mr. Meir was estopped from claiming anything regarding his
15 ownership of EAM or EZL, they were all against only Mr. Nir
16 Meir. My clients were not named parties in that action,
17 which is why, if you recall the portion of the transcript
18 that Mr. Klestadt was citing from, the Court said it was
19 going to be a conversion; however, he goes on to say that in
20 order to preserve or provide Ms. Bartolacci the opportunity
21 to exercise her due process rights. There would have to be a
22 proceeding commenced against her. She was not a party to the
23 action; she had no notice of all of this that was going on.
24 Her only connection to the prior proceeding against Mr. Meir
25 was the fact that a subpoena was served on her and that was

1 it. Now, since March, we have been in a defensive position
2 for the first time.

3 And I just want to -- Ms. Tancredi, I'm not going
4 to duplicate or, you know, reiterate the arguments that she's
5 made; however, to the extent that the background touches upon
6 my clients, I'd just like to expand on that, if I may.

7 It is our contention that Bartolacci is the 95-
8 percent member of debtor EZL 40 Meadow Lane and EZL, in turn,
9 is the 95-percent member of debtor EAM 40 Meadow Lane.
10 Bartolacci is also the 100-percent member of Ermitage One,
11 LLC. And Bartolacci and Ermitage are both parties in
12 interest in this matter.

13 In 2013, on Bartolacci's 38th birthday, Mr. Meir,
14 her husband, took her to see the property at 40 Meadow Lane
15 and presented it to her as to be their future marital home.
16 The property was purchased for \$10 million and it was a
17 demolish and knock-down. Over the ensuing, the following
18 three years, a brand new home was constructed on that
19 property. Ms. Bartolacci contributed for over the period
20 from the purchase of the property, through the construction,
21 maintenance, and the eight years until it was sold,
22 approximately \$5 million of her own separate monies to the
23 appreciation and completion of that property.

24 Ultimately, in April of 2021, the property was
25 sold for \$43 million. It was not until two months after that

1 that YH Lex obtained a judgment against her husband, Nir
2 Meir. My client never had any connection with YH Lex or
3 their claims against her husband.

4 We appeared, we filed answers, we filed pleadings,
5 and then, when the debtors filed for bankruptcy at the remand
6 hearing before Judge Garrity in Southern District Bankruptcy
7 Court of New York, the eve before that hearing, this
8 stipulation was filed on the New York State case's docket.
9 And, when I reviewed it, it raised a lot of troubling
10 concerns for the interests and the rights of my clients. We
11 are here defending our interest and our ownership interest in
12 the proceeds that were distributed to her. And the
13 stipulation provides, amongst other things, that the trustee
14 consented to the remand, that any proceeds or recovery would
15 be paid over to the bankruptcy estate of EAM for distribution
16 in accordance with Section 726 of the bankruptcy code. The
17 trustee would consent to YH Lex being granted a claim
18 pursuant to 11 U.S.C. 503(b) for substantial contribution
19 with priority -- giving YH Lex a priority ahead of allowed
20 claims of general unsecured creditors. The trustee would
21 confer YH Lex standing to prosecute claim objections to the
22 extent that the trustee declined to prosecute any claim
23 objection directly.

24 And then, following distribution to EAM's
25 creditors, the trustee would distribute the balance directly

1 to YH Lex as a party in interest, recognizing YH Lex as the
2 sole economic interest holder of EZL's interest in EAM.

3 So the stipulation highlights and acknowledges
4 three vital points. First, any fraudulent conveyance causes
5 of action, including the claims asserted in the turnover
6 action, solely belong to EAM's Chapter 7 estate; second, YH
7 Lex expects there to be a surplus after EAM's creditors are
8 paid in full; and, third, the stipulation is of course
9 conditioned upon the approval of the bankruptcy code.

10 Based upon all of the arguments made by Ms.
11 Tancredi, I urge this Court to deny this application and
12 disapprove the stipulation.

13 You know, Bartolacci owns 95 percent of EZL --
14 before I go into that, I just want to address one point that
15 both Mr. Carroll and Mr. Klestadt focused on is that the
16 reason that this is being prosecuted and filed and pushed
17 through the court on an expedited basis is the fear of the
18 dissipation of assets. This property, Your Honor, was not
19 sold two weeks ago, it was sold a year ago. To the extent
20 that there are any assets remaining, to now rush through and
21 steamroll over my client's interests in EZL and interest in
22 the proceeds that she received from the sale of her marital
23 home is very, highly prejudicial to Bartolacci and Ermitage's
24 interests in these proceedings.

25 THE COURT: Can I ask you a question? And --

1 MS. MALIK: Yes, Your Honor.

2 THE COURT: -- I'll give Ms. Tancredi an
3 opportunity to respond to the same question after you
4 conclude. What significance, if any, should I attribute to
5 Judge Garrity's decision to remand this back to the state
6 court rather than, say, transferring venue or holding the
7 matter subject to the stay and for further proceedings?

8 I presume that some of these arguments were made
9 to Judge Garrity in one form or another and he entered the
10 order that said back to state court you go; not to Delaware,
11 not to stay here or anything else. Is there any significance
12 I should attribute to that decision?

13 MS. MALIK: Well, Your Honor, I am not going to
14 presume what Judge Garrity considered before he issued or
15 rendered his order; however, these arguments were presented
16 to Judge Garrity and, on the date of the hearing, Mr. Carroll
17 advised Judge Garrity that they would be filing a motion to
18 approve the stipulation that afternoon and that they would be
19 filing a motion that they expected to have a hearing on in
20 the next three or four days.

21 The stipulation and motion were not filed until a
22 few days later, it was not filed that afternoon, and I
23 believe that the Judge felt that it would be before Your
24 Honor before the trial would occur before Justice Cohen based
25 upon what Mr. Carroll recommended. Now, we've got this

1 situation where my clients are completely bootstrapped
2 because we're preparing for arguments on summary judgment
3 this afternoon, we're preparing for a jury trial this
4 morning, and then we have this hearing that really should
5 have occurred last week. And if at that time Your Honor had
6 chosen to disapprove the stipulation, this special proceeding
7 would be stayed so that there can be a due process hearing in
8 this court, which is really what needs to happen before a
9 determination is made as to whose funds these really are.

10 As far as the fiduciary duty and the due process
11 taking-up-private-property arguments, I would reiterate all
12 the arguments made so ably by Ms. Tancredi on the record.

13 THE COURT: Okay. Thank you, Ms. Malik.

14 Ms. Tancredi, I think I said I would give you the
15 same opportunity to respond. Ms. Malik did respond to the
16 question and it gave me a little bit more procedural context
17 for Judge Garrity's proceeding, but you're welcome to
18 respond, and then I'll hear from Mr. Carroll and Mr. Klestadt
19 in response.

20 MS. TANCREDI: So, similar to Ms. Malik, I
21 wouldn't presume to say why Judge Garrity ruled as he ruled,
22 and I was also not a party to that hearing --

23 THE COURT: Okay.

24 MS. TANCREDI: -- I was not in attendance.

25 THE COURT: Okay.

1 MS. TANCREDI: However, I would observe that his
2 ruling does -- I guess, if I'm sitting in his shoes, it does
3 the least amount possible and sort of leaves the decision in
4 your hands. It is a very effective, I guess, punt of the
5 issue so that, you know, when the hearing is before you, you
6 can decide. So I wouldn't attribute personally any
7 significance to it.

8 THE COURT: Okay. All right, thank you.

9 Mr. Carroll, I think what would make sense right
10 now, you had proposed to present Mr. Miller for some
11 testimony. I assume you have no other witnesses. The
12 stipulation is already in the record as an exhibit to your
13 motion, but other than I just want to make sure. Are there
14 any other parties that expect to call witnesses in connection
15 with this proceeding?

16 (No verbal response)

17 THE COURT: Okay, so Mr. Miller would be the only
18 witness. And, Mr. Carroll, if you wish to proceed, you may.

19 MR. CARROLL: Thank you, Your Honor. Before I do
20 that, I just want to make a comment on a few of the
21 statements that were made --

22 THE COURT: I think -- I thought about that for a
23 second -- I think we're probably better off hearing Mr.
24 Miller.

25 MR. CARROLL: That's fine, Your Honor.

1 THE COURT: And then I'll give you certainly an
2 opportunity and some leeway in connection with any kind of
3 closing arguments to tie it together. You know, I don't need
4 the full stem-winders from everybody, but I do --
5 procedurally, where we are, I heard from everybody in terms
6 of what I think I would treat as openings, we'll get to the
7 substance of the matter, and then any further argument people
8 have to make I would be happy to entertain, including yours.

9 So, with that, Mr. Carroll, you may proceed.

10 MR. CARROLL: With that, Your Honor, I would call
11 Mr. George Miller in support of the motion.

12 THE COURT: All right. Can we swear the witness,
13 please?

14 THE CLERK: Raise your right hand. Do you
15 solemnly swear to tell the truth, the whole truth, and
16 nothing but the truth, so help you God?

17 (No verbal response)

18 THE CLERK: You're mute is on.

19 THE COURT: The record reflects Mr. Miller said
20 yes.

21 Mr. Miller, you do need to un-mute.

22 THE WITNESS: There I go.

23 THE COURT: There we go.

24 THE WITNESS: Now I'm good. I was muted before
25 and un-muted. I do.

25 (Recess taken at 10:53 a.m.)

1 (Proceedings resumed at 10:59 a.m.)

2 THE COURT: Good afternoon, all -- or good morning
3 again. This is Judge Shannon.

4 Can I get a thumbs-up that everybody is able to
5 hear me?

6 Great. And I do see Mr. Carroll. Welcome back,
7 sir.

8 MR. CARROLL: Your Honor, I don't know where I
9 went, into the netherworld somewhere. I'm back. Thank you.

10 THE COURT: All right. Mr. Miller, I would remind
11 you, sir, that you remain under oath, and I think we were
12 just about to commence the examination.

13 THE WITNESS: Yes, Your Honor.

14 BY MR. CARROLL:

15 Q Mr. Miller, you've been appointed as the Chapter 7
16 trustee for the estates of EAM 40 Meadow Lane LLC, and also
17 EZL 40 Meadow Lane LLC; is that correct?

18 A That is correct.

19 Q And do you have a copy of the motion of the Chapter 7
20 trustee for an order approving the stipulation between
21 yourself as Chapter 7 trustee and YH Lex Estates LLC pursuant
22 to Rule 9019, which is Docket Item 21; and the subject
23 stipulation, which was Exhibit 1, which is Documents 21-2; do
24 you have that before you?

25 A I do.

1 Q And did you execute that stipulation with YH in your
2 capacity as trustee?

3 A I did.

4 Q And were you on the Zoom hearing today when I recited
5 the background in terms of the stipulation?

6 A I was -- or I am.

7 Q And did I accurately recite the terms and your
8 understanding of the terms of the stipulation?

9 A Yes, I do.

10 Q Okay. And what, in the exercise of your business
11 judgment, is the benefit to the estates in entering into this
12 stipulation?

13 A All the money that's collected by -- in the New York
14 litigation would become property of the estate, you know, and
15 as soon as it's collected.

16 Q Okay. And you heard reference in the earlier
17 discussions to concerns about dissipation of assets.

18 A Yes.

19 Q Is that a concern that you had in connection with these
20 estates?

21 A Always in a bankruptcy, especially when something has
22 been sold and it's in cash. Cash is easy to, I'm going to
23 say, spend, and there's problems and other matters. So,
24 based on my experience, the quicker you can get a judgment
25 and collect the money, the better it is for the estate.

1 Q And, in the exercise of your business judgment, do you
2 believe that the stipulation is in the best interests of
3 these estates?

4 A Absolutely. I collect money and I give very little.

5 Q Have you conducted at any 341 meeting in connection
6 with this case?

7 A I did.

8 Q Okay. And I believe you heard reference to the fact
9 that a representative of the debtor did not appear at the 341
10 meeting?

11 A Yeah, the day before, I got notice that the
12 representative was not coming to the thing. And I received
13 an email from the cosmetic surgeon that he would not be able
14 to make it.

15 Q Okay. And, in terms of conducting the 341 meeting, you
16 agreed that you would reschedule with respect to the
17 testimony of the debtor representative --

18 A Yes.

19 Q -- another date?

20 A Yes. I concluded the 341 meeting, but I also put on
21 the record that, you know, I will conduct an examination of
22 Mr. Meir, who was presented as the debtors' representative.

23 Q And at that 341 meeting, I believe you outlined what
24 information you had managed to garner thus far concerning
25 these debtors' estates; is that right?

1 A Yes. In addition to the schedules, there was a lot of
2 information and research that I had done, and I had said to
3 the attendees what my investigation has incurred, what I
4 believed were the assets. I read into the record the
5 schedules and the liabilities. The attendees were primarily
6 the debtors' counsel and representatives of YH Lex. I don't
7 believe there was any other creditors at the meeting.

8 MR. CARROLL: I have no other questions, Your
9 Honor.

10 THE COURT: All right. Ms. Tancredi, would you
11 like to cross-examine?

12 MS. TANCREDI: Yes. Thank you, Your Honor.

13 CROSS-EXAMINATION

14 BY MS. TANCREDI:

15 Q Mr. Miller, I'm Lisa Tancredi from Womble Bond
16 Dickinson and I represent the debtors.

17 I believe that you testified that there was not a
18 debtor present -- debtor representative present at the 341
19 meeting; is that correct?

20 A Correct.

21 Q Did you ever examine Mr. Meir under oath?

22 A No.

23 Q Have you ever spoken with Mr. Meir?

24 A No.

25 Q Have you ever spoken with Ms. Bartolacci?

1 A No.

2 Q Did you receive copies of the debtors' operating
3 agreements from the debtors' counsel?

4 A I did.

5 Q Did you read them?

6 A I did.

7 Q And, as part of your investigation, did you note that
8 the operating agreement for EZL reflected that EZL is owned
9 95 percent by Rane Bartolacci?

10 A I think the document speaks for itself, you'd have to
11 show me. I don't recall what it is right now.

12 Q But you did read it?

13 A There is a dispute between the operating agreement and
14 what the Court says and I'm not getting involved in all that
15 at this time.

16 Q Okay. And as part of your investigation did you note
17 that the operating agreement for EAM reflects that EAM is
18 owned 95 percent by EZL and five percent by Mr. Meir?

19 A The document speaks for itself, I don't have it in
20 front of me.

21 Q Did you review the docket of the litigation with YH and
22 Mr. Meir and Ms. Bartolacci and Ermitage?

23 THE COURT: Hang on --

24 THE WITNESS: Which docket?

25 THE COURT: -- hang on just a second. This is

1 Judge Shannon. I want to make sure I understand the
2 question. Are you asking if he reviewed the docket because I
3 think your question was phrased, did you review the docket of
4 the litigation with Mr. Meir or Ms. Bartolacci, et cetera. I
5 think -- so I'm not sure if you're asking if he's familiar
6 with the docket or whether or not he met with counsel for
7 litigants and went over the docket.

8 I'm not sure if I'm being clear, but I want to
9 make sure I understand what your question was. Sorry.

10 MS. TANCREDI: My question was intended to be
11 simple. My question was had he actually just reviewed the
12 docket himself of the litigation between YH, Mr. Meir, Ms.
13 Bartolacci, and Ermitage.

14 THE WITNESS: I did not review the docket, I
15 reviewed the information that was provided by your firm and
16 by Mr. Klestadt's firm, and I read trial transcripts and
17 depositions and things of that nature.

18 BY MS. TANCREDI:

19 Q And are you aware that neither EAM nor EZL are parties
20 to that litigation?

21 A I believe that's correct, but it is the assets of EAM
22 and EZL that are at risk and to be collected by a third
23 party, and that's why the stipulation gives the assets to me.

24 MS. TANCREDI: Your Honor, I move to strike the
25 latter part of that testimony, it wasn't responsive; it was a

1 yes-or-no question.

2 THE COURT: No, I'm going to allow it. If you
3 want to expand on his understanding of the effect of the
4 stipulation, that's fine, but I think his comment, his
5 concluding comment was his understanding of what the
6 stipulation does.

7 So, I'll allow it, but, again, I'll give you
8 certainly latitude to cross him further.

9 MS. TANCREDI: Thank you.

10 BY MS. TANCREDI:

11 Q Mr. Miller, you made a comment that you received a
12 doctor's note from a cosmetic surgeon; is that correct?

13 A That's correct.

14 Q And isn't it correct that I have pointed out to you
15 that Dr. Shapiro, who wrote that note, was actually an
16 internal medical doctor?

17 A You sent me an email with no supporting documentation.
18 My research all indicated he was a cosmetic surgeon in
19 Florida.

20 Q My email had a link to his website that showed that he
21 was an internal medical doctor, did it not?

22 A I didn't see internal medical doctor, I saw cosmetic
23 surgery. I did not see internal medical doctor, I saw
24 cosmetic surgery. I didn't look at the link, I relied on
25 what my -- you know, what I found in my own --

1 Q So you didn't read the entire website?

2 A Did I read the entire website? No --

3 Q No.

4 A -- because I don't know how long it was. It might have
5 been like some little comment at the bottom or something, but
6 primarily it's a cosmetic surgery.

7 Q Mr. Miller, it was an entire page and I sent you the
8 link to it.

9 A Okay.

10 Q And I'm surprised you didn't read.

11 A Well, it was a cosmetic --

12 Q Did you review --

13 A -- surgery company.

14 Q Did you review the debtors' schedules and statement of
15 financial affairs

16 A I did.

17 Q And do you recall that in EZL's statement of financial
18 affairs in response to Item 28 the debtor indicated that Nir
19 Meir has only a five-percent interest in EZL?

20 A I don't know if it's 28, but I recall that, that he has
21 a five-percent interest.

22 Q And are you familiar with the Bax decision?

23 A The what decision?

24 Q The Bax decision.

25 A No.

1 Q Based upon your investigation, is YH a member of the
2 debtors?

3 A No.

4 MS. TANCREDI: I don't have any further questions
5 of this witness.

6 THE COURT: All right. Ms. Malik, did you wish to
7 ask any questions?

8 MS. MALIK: Yes, very briefly, Your Honor.

9 THE COURT: Of course.

10 CROSS-EXAMINATION

11 BY MS. MALIK:

12 Q Good morning, Mr. Miller. I'm Pankaj Malik; I'm the
13 attorney for the parties in interest Ranee Bartolacci and
14 Ermitage One, LLC.

15 Do you acknowledge that EZL is 95 percent -- is the 95-
16 percent member of EAM?

17 A Well, that's what the bankruptcy schedules and
18 operating statements say.

19 Q And do you acknowledge the claims of Ranee Bartolacci
20 that she is 95-percent member of EZL?

21 A EZL. I don't think she is of EZL. No, no -- yeah, of
22 EZL. I'm confused between EZL and EAM. I'm sorry, EZL.

23 Q No problem.

24 A That's what the operating statements are for EZL.

25 Q And do you acknowledge those claims of Ranee

1 Bartolacci?

2 A They're not claims, they're equity security interests.

3 Q Okay. And do you agree that you anticipate that there
4 would be a surplus in this Chapter 7 proceeding?

5 A I do not.

6 Q And do you agree that as Chapter 7 trustee for EAM and
7 EZL you owe the debtor and their members a fiduciary duty?

8 A I do and it's protected.

9 Q And do you acknowledge as Chapter 7 trustee of EAM and
10 EZL you have the right to intervene in the proceeding by YH
11 Lex against Bartolacci and Ermitage?

12 A Yes, because they're assets of the debtor.

13 Q And do you acknowledge that these bankruptcy
14 proceedings are core proceedings and related to the special
15 proceeding commenced by YH Lex?

16 A I don't know if it is or not, I'm not a lawyer.

17 Q And when you were involved in the negotiations of the
18 stipulation with YH Lex, did you discuss the stipulation or
19 its contents with Bartolacci or her counsel?

20 A Me personally, no, it was all done through counsel.

21 Q Did your counsel discuss it with my office?

22 A I'm not sure. I know it was discussed -- I don't know
23 -- with your office, no, but it was discussed with some
24 lawyer who says he's representing everybody on the member --
25 the member area.

1 Q Well, isn't it true that your counsel only discussed
2 the stipulation with counsel for YH Lex?

3 A No.

4 Q Isn't it true that the proceeds from the sale of the
5 property at 40 Meadow Lane are basically the subject or the
6 purpose for which the stipulation was executed?

7 A Primarily; there may be other assets that are pursued,
8 but, primarily, they're the largest part of the assets.

9 Q And isn't it true, if all of Bartolacci's claims are
10 proven, would you acknowledge that she has a due process
11 property right to those proceeds?

12 MR. KLESTADT: Objection.

13 THE WITNESS: I don't understand the question.

14 THE COURT: Hang on. There's an objection
15 interposed.

16 Mr. Klestadt, what's the basis for the objection?

17 MR. KLESTADT: Well, two, Your Honor. One, the
18 question is incomprehensible and, second, it calls for a
19 legal conclusion by Mr. Miller, who has testified that he's
20 not a lawyer.

21 THE COURT: It does call for a legal conclusion.
22 Ms. Malik, I'll give you an opportunity to rephrase the
23 question.

24 MS. MALIK: Thank you. Give me one second, Judge.

25 THE COURT: Take your time, no hurry.

1 (Pause)

2 BY MS. MALIK:

3 Q Mr. Miller, I'm going to try to rephrase it. If
4 Bartolacci's interest in the proceeds from the sale of 40
5 Meadow Lane are proven, would you acknowledge that the
6 stipulation seeks to deprive her of her interests in such
7 proceeds?

8 MR. KLESTADT: Objection.

9 THE WITNESS: I would pose the opposite.

10 THE COURT: All right, Mr. Miller has answered his
11 question.

12 THE WITNESS: I'm sorry, Your Honor.

13 THE COURT: No, that's --

14 THE WITNESS: Whoever I said it, I can't hear.
15 I've got bad ears, so they'll have to speak up louder.

16 THE COURT: Not a problem. I will accept the
17 answer.

18 You may proceed.

19 MS. MALIK: Thank you, Your Honor.

20 BY MS. MALIK:

21 Q And, Mr. Miller, do you -- withdrawn.

22 Isn't it true that the property in question was sold in
23 April of 2021?

24 A Yes.

25 MS. MALIK: I have no further questions, Your

1 Honor.

2 THE COURT: Okay. Mr. Carroll -- actually, Mr.
3 Klestadt, did you have any questions for Mr. Miller?

4 MR. KLESTADT: Your Honor, just maybe one
5 question.

6 CROSS-EXAMINATION

7 BY MR. KLESTADT:

8 Q Mr. Miller, Ms. Malik asked you -- just asked you a
9 series of questions about what you acknowledge with regard to
10 the proceeds with regard to the causes of action. In fact,
11 Mr. Miller, you haven't made any decisions with regard to who
12 may be entitled to the proceeds; isn't that correct?

13 A That's correct.

14 Q And isn't it true, Mr. Miller, that your understanding
15 is that the stipulation merely preserves the estates' rights
16 in whatever the proceeds and recoveries might be, and then
17 any distributions of those proceeds will be subject to
18 further order of the bankruptcy court?

19 A I'd like to correct my testimony that I just gave you.
20 I think I -- I think it's Section 726, that I agreed that the
21 distribution would be under 726 of the bankruptcy code, and
22 then -- so that means all rights under 726 are preserved, and
23 so the equity security holders would be part of that. If
24 other pleadings are filed in the future, then they'd be filed
25 in the future, but they haven't been filed and are not part

1 of the decision at this point in time.

2 Q But any further distribution of proceeds, your
3 understanding is, pursuant to the stipulation, that would be
4 subject to further order of the bankruptcy court?

5 A That's correct.

6 MR. KLESTADT: I have no further questions, Your
7 Honor. Thank you.

8 THE COURT: Here's what we'll do. That was a
9 relatively friendly cross. I think what I'll do is allow Mr.
10 Carroll to provide any redirect, and then I would afford an
11 opportunity to both Ms. Tancredi and Ms. Malik an opportunity
12 to cross-examine a little further on what Mr. Klestadt may
13 have raised or that Mr. Carroll will raise.

14 Mr. Carroll, do you have any redirect?

15 MR. CARROLL: No, sir.

16 THE COURT: Ms. Tancredi, did Mr. Miller's
17 testimony and his colloquy with Mr. Klestadt give rise to any
18 redirect that you wish to present? I'm happy to afford you
19 the opportunity.

20 MS. TANCREDI: No, Your Honor. I would just
21 observe, as you did, that it was a very friendly cross-
22 examination. So, to the extent that the testimony was
23 directed by leading questions, Your Honor can take it for
24 what it's worth.

25 THE COURT: So noted.

1 Ms. Malik?

2 MS. MALIK: Nothing further, Your Honor.

3 THE COURT: Okay. All right. Then I think what
4 I'd like is to hear from the parties.

5 Mr. Carroll, I assume the trustee rests, no
6 additional witnesses or testimony?

7 MR. CARROLL: That is correct, Your Honor.

8 THE COURT: All right. And the parties have
9 previously advised that there were no other witnesses, so I
10 think if we can have any kind of brief closings or
11 observations. Again, I think we covered a lot of the
12 waterfront in the openings, which were helpful, because
13 there's a complicated both business and procedural history
14 here and it was helpful to hear from all of the parties, but
15 I'd start with Mr. Carroll, then Mr. Klestadt, then Ms.
16 Tancredi, and Ms. Malik.

17 So, Mr. Carroll?

18 MR. CARROLL: Your Honor, many of the comments and
19 the questioning which has occurred basically exhibits an
20 intrinsic misunderstanding of the purpose of the stipulation.

21 The stipulation was entered into because there was
22 an ongoing state court proceeding, which in part had to do
23 with the disposition of sale proceeds, which would have been
24 the asset of EAM. The trustee, as was indicated a moment
25 ago, was acting clearly in the best interests of the estate

1 to make sure, to the extent there was a recovery with respect
2 to any of those sale proceedings -- they were going nowhere;
3 they weren't going to YH, they were coming to him to run
4 through the bankruptcy estate.

5 To the extent the parties are making arguments
6 with respect to due process rights, this case is loaded with
7 due process. They have the due process of participating in
8 the state court proceeding, to the extent Ms. Bartolacci
9 wants to participate. She's a party, she's participating
10 there, Ermitage is participating there. The monies flow into
11 the estate as part of the waterfall, there's a claims review
12 process which is provided for in the bankruptcy code. The
13 trustee will review the claims; to the extent there are
14 objections, there will be objections. If there is a surplus
15 based upon any proofs of claim, then it will flow in
16 accordance with 726.

17 There is the provision within the stipulation
18 that, to the extent there's a charging order that's obtained
19 on an interest which is held, that would have to be an
20 adjudication, that would have be an adjudication that takes
21 place. Again, due process rights would be afforded to the
22 parties who are asserting an interest in those underlying
23 membership interests.

24 So this is not about denial of due process, this
25 is about an asset protection case where the assets have moved

1 and it's to put a stop to it at a point in time so that all
2 of the parties can be heard and those rights can be
3 adjudicated.

4 So it's really amazing to me the parties here,
5 sitting here thinking that their rights are somehow being
6 prejudiced, that's quite to the contrary here.

7 Thank you.

8 THE COURT: Thank you.

9 Mr. Klestadt?

10 MR. KLESTADT: Your Honor, thank you. I think the
11 only observation I would make, Your Honor, is that we have
12 the curious situation here where the debtor who filed the
13 case and who filed schedules under penalty of perjury,
14 listing many creditors, including a potential \$600 million
15 claim of an affiliate, appears to be acknowledging that this
16 is a surplus case. I would just ask Your Honor to take that
17 into account while considering the trustee's business
18 judgment.

19 I think it's also curious that it's the debtor and
20 only the debtor that is questioning the trustee's business
21 judgment and Ms. Bartolacci, but no creditor, no purported
22 creditor and certainly not YH, which entered into the
23 stipulation, is questioning the business judgment of the
24 trustee. I think the trustee has demonstrated that the
25 stipulation certainly falls above the lower level of

1 reasonably or just the standard, I believe in this
2 District as well, that Your Honor would consider for approval
3 of the stipulation.

4 Thank you, Your Honor.

5 THE COURT: Very good. Thank you.

6 Ms. Tancredi?

7 MS. TANCREDI: Yes, Your Honor. I think these
8 issues before you are legal in nature and, while there's a
9 lot of color that has been provided to you by arguments of
10 counsel and by the testimony from Mr. Miller, the issues are
11 legal. And, unfortunately or fortunately, the legal result
12 that should come from the situation before you is not
13 necessarily what is convenient for the trustee.

14 The stipulation is -- as Mr. Miller said, it's a
15 great deal for the trustee. He doesn't have to do anything.
16 Another party litigates the claim, which belongs to the
17 estate; if they recover anything, they turn it over to Mr.
18 Miller. They get to get their attorneys' fees paid by the
19 estate, which I'll get to in a minute, and then he agrees
20 that he will not contest the charging order.

21 The problem is that the stipulation is premised
22 upon this case being a surplus case. And while no creditor
23 are questioning the trustee's --

24 THE COURT: Is it really? I think it's premised
25 on that from Mr. Klestadt's point of view, but if he's

1 incorrect, he's agreed to an arrangement whereby any funds
2 would go, they would be distributed by Mr. Miller in
3 accordance with 726, and I expect Mr. Klestadt has done some
4 analysis -- or his client YH has done some analysis and
5 expects that there will be a premium, but what Mr. Miller has
6 done is ensure that the rug doesn't get pulled out from under
7 him, that's how I would read it.

8 MS. TANCREDI: Well, YH would never agree to this
9 if it was not a surplus case.

10 THE COURT: I agree with that, but --

11 MS. TANCREDI: So --

12 THE COURT: -- but Mr. Miller hasn't predicated
13 his deal on that fact -- or on that premise.

14 MS. TANCREDI: Well, nevertheless, I think, for
15 purposes of evaluating the stipulation as it is presented and
16 its contemplation that there will be a surplus and what will
17 happen to the surplus, that that's how we should view it --

18 THE COURT: Okay.

19 MS. TANCREDI: -- just for this context.

20 These debtors are Delaware limited liability
21 companies and, under the Bax decision, YH does not have
22 standing, couldn't be given standing through these bankruptcy
23 proceedings to pursue an action on behalf of a limited
24 liability company. And that is a legal question, so why
25 would the Court approve a stipulation that gives YH standing

1 that it otherwise would not have.

2 We've already discussed he constitutional property
3 rights and I'll defer to Ms. Malik on those since those are
4 largely her clients' claims, but a trustee can't summarily
5 give another party standing.

6 And let's look at YH is in relationship to these
7 debtors. It's not a creditor. We included it on the
8 bankruptcy schedules because it's in litigation and because
9 of this issue for notice purposes. It's really a creditor of
10 a member and that's just too attenuated to confer a party-in-
11 interest designation to YH. So, as a matter of law, the
12 trustee shouldn't give YH 503(e) relief; he shouldn't give
13 them standing to object to claims.

14 The stipulation isn't really neutral, as Mr.
15 Carroll would like the Court to think. Really, Mr. Miller is
16 pressing his thumb on the scale in favor of YH. And I will
17 note that in the stipulation itself there's four pages of
18 recitals that are, frankly, unnecessary, but I'm sure will be
19 provided to other courts elsewhere where the trustee agrees
20 that in -- for example, on page 4, the second-to-last whereas
21 clause, the trustee agrees that in the context of the remand
22 motion the trustee and YH, by and through their respective
23 counsel, have also discussed Bartolacci and Ermitage's
24 apparent disregard for procedural defaults on discovery
25 deadlines set by the Supreme Court, including document

1 production and deposition deadlines which have not been
2 extended or continued. There's also Mr. Miller's expressed
3 concern about the possible rapid dissipation of liquid
4 assets.

5 As Ms. Malik said, this sale happened more than a
6 year ago and there are remedies in state court where parties
7 are concerned about the dissipation of estate assets -- or
8 litigation assets. One can obtain injunctive relief before
9 judgment, but that didn't happen here.

10 THE COURT: Okay.

11 MS. TANCREDI: So, Your Honor, I would just ask
12 Your Honor to deny approval of this stipulation. The trustee
13 has a fiduciary duty to the debtors and to their members, and
14 a fiduciary duty means that you don't -- at a minimum, that
15 you don't give away their store. At a minimum, the trustee
16 should be neutral, and he's not neutral in this stipulation.

17 THE COURT: Thank you.

18 MS. TANCREDI: Thank you.

19 THE COURT: Ms. Malik?

20 MS. MALIK: Thank you, Your Honor.

21 Just to expand on what Ms. Tancredi stated, the
22 concerning thing is, how can the trustee possibly fulfill his
23 fiduciary duty when he's already structured this deal with YH
24 Lex?

25 There are representations in the stipulation, as

1 Ms. Tancredi pointed out, about my clients' alleged defaults
2 on discovery deadlines. I didn't receive a call from Mr.
3 Carroll to inquire if any of that was true, if there were any
4 actual deadlines set that we did not comply with. Every
5 single deadline that was set by any court in New York my
6 clients complied with.

7 THE COURT: Well, I think --

8 MS. MALIK: So --

9 THE COURT: Hang on. I want to make sure that
10 we're singing from the same hymnal. Those are legitimate
11 concerns and I hear you, but what I have is a recital from
12 the parties that does not constitute a finding or an
13 acceptance by the trustee that certain things have happened.
14 It says, "In the context of the remand motion, the trustee
15 and YH have discussed YH's allegations" --

16 MS. MALIK: Right.

17 THE COURT: -- which --

18 MS. MALIK: And, Your Honor, my point is there were
19 discussions held with YH's counsel, why wasn't a phone call
20 made to my office to discuss those allegations with us? That
21 is not a fulfillment of the trustee's fiduciary duty to the
22 debtors' members. A large portion, a huge membership
23 interest is owned by my client.

24 And then, as far as the due process, my client
25 intends to prove at this trial that she contributed \$5

1 million to the improvement and the appreciation that led to
2 the creation of these proceeds of her own separate funds that
3 she brought into the marriage, that were not marital funds or
4 marital assets or Meir's funds, who is the judgment debtor.
5 My client was never a judgment debtor of YH Lex.

6 And, again, I would reiterate all the arguments
7 made by Ms. Tancredi earlier today and request that this
8 stipulation be disapproved based upon all of the arguments
9 we've stated here today.

10 Thank you, Your Honor.

11 THE COURT: Thank you.

12 Okay. The matter before the Court is the
13 trustee's motion for an order approving the stipulation that
14 the trustee has entered into with YH Lex Estates pursuant to
15 Rule 9019. I will grant that motion and I will overrule the
16 objections that were presented.

17 In so ruling, I first note that the Court
18 acknowledges this matter has been presented on an expedited
19 basis pursuant to reasons laid out by the trustee in his
20 submission last week. The Court specifically provided that
21 objections could be raised at today's hearing, recognizing
22 the time pressures of the scheduling. And the Court very
23 much appreciates the engagement of counsel objecting and the
24 submission of the response of the debtors in opposition.

25 This is, as I said a few moments ago, a relatively

1 complicated procedural and factual scenario, again, presented
2 on an expedited basis, but I would observe that, especially
3 given the development of the record in today's hearing, I do
4 not regard this matter as a close call.

5 The trustee is appointed as the Chapter 7 trustee
6 for purposes of administering these Chapter 7 cases. The
7 record reflects that the trustee engaged promptly and
8 negotiated with YH, and has come up with a stipulated order
9 presented to this Court that in Mr. Miller's, I think, blunt
10 testimony said there's a benefit that any money from a New
11 York litigation comes into the estate for him to hold and to
12 administer consistent with the code. He found that the
13 stipulation is in the best interests of the estates that he
14 is charged with administering and that he has the opportunity
15 to collect and hold money and has effectively given up very
16 little at this point.

17 I am sensitive to the concerns expressed by the
18 objectors about the speed with which this was presented and
19 their concerns regarding the sufficiency of Mr. Miller's
20 investigation into this process. But I do believe,
21 consistent with Mr. Carroll's comments, that as a practical
22 matter there is significant process and due process that
23 remains because the stipulation does not provide for monies
24 to be handed over to any party immediately or promptly, but
25 rather to come into the estate for administration by the

1 trustee under the jurisdiction and supervision of this Court.

2 So I think that it is an elegant resolution which
3 evaluates and, frankly, balances the trustee's estimation of
4 what would be best for the stakeholders in this case and that
5 is his responsibility. He has noted that, as a practical
6 matter, it is the expectation of the parties that there will
7 be sufficient funds to call this a surplus case. And, as a
8 further observation -- and, again, I think the record is
9 developed here -- any distribution of funds that would be
10 characterized as surplus or otherwise are going to be the
11 subject of proceedings in this Court, I assume, or in another
12 court of competent jurisdiction for purposes of deciding who
13 gets what funds.

14 So I do believe that this stipulation is squarely
15 within the judgment and discretion that is afforded to a
16 Chapter 7 trustee. I note, as Mr. Klestadt has observed,
17 that the debtors are objecting -- or the debtor is objecting
18 here, and the fact of the matter is that the debtor is the
19 entity that chose to put this into a Chapter 7 and place this
20 entity under the control and jurisdiction of the Chapter 7
21 trustee and this Court. The trustee has made a decision and
22 entered into an agreement consistent with and in furtherance
23 of his statutory duties and his fiduciary duties, and I am
24 satisfied that he has carried that burden.

25 The parties' submissions do identify that we're

1 treating this as a -- it is a settlement under Bankruptcy
2 Rule 9019 and I look at the four factors. The parties didn't
3 necessarily really walk through or address the factors here,
4 but I think that they are certainly implicitly addressed in
5 today's record and they're laid out with specificity in the
6 trustee's submission on the 25th of April. And,
7 specifically, they are factors that courts have typically
8 used, those factors are not in controversy, but to me, at the
9 end of the day, the analysis is driven by the standard that
10 courts have typically applied, which is that a Rule 9019
11 settlement is going to be considered by a court in light of
12 the proposition that settlements are favored in bankruptcy
13 and that a settlement will be approved so long as it rises
14 above the lowest point on the range of reasonableness.

15 There is no doubt before me that this settlement
16 certainly exceeds that standard, and I'm satisfied that the
17 record today and Mr. Miller's testimony are sufficient to
18 provide for entry of the stipulation.

19 Mr. Carroll, I would ask, has the stipulation been
20 -- I know it's on the docket as an attachment, but I would
21 ask that you simply file that under a certification. It will
22 be entered promptly because I am aware that there are
23 proceedings this afternoon in another forum and I would like
24 to have that order -- that stipulation entered so that
25 parties can advise the court in that proceeding today and

1 tomorrow that in fact the stipulation has been approved and
2 is of record on the docket.

3 I would ask, are there any question?

4 MS. TANCREDI: Your Honor, this is Lisa Tancredi.
5 I do have a couple of questions.

6 THE COURT: Okay.

7 MS. TANCREDI: The provisions in the stipulation
8 where the trustee consents to YH having standing to object to
9 claims and consent to YH being able to recover funds from the
10 proceeds as a substantial contribution claim. I just want to
11 clarify that that is merely the trustee's consent and is not
12 binding upon the Court or other parties, and that other
13 parties retain the ability to object.

14 THE COURT: I would -- I will observe, I
15 appreciate your clarification on that point. I think we did
16 address specifically this during the examination and during
17 the hearing to the extent that there was any uncertainty.
18 And I believe I polled both Mr. Carroll and Mr. Klestadt to
19 confirm that in fact the Court is not granting standing today
20 and the Court is not authorizing any surplus distribution or
21 otherwise or allowing a 503(b) application. The trustee has
22 in his negotiations with YH agreed that he would not oppose
23 those, debtor I believe if any party has standing or
24 authority to participate, then there will be further
25 proceedings and the Court will conduct those proceedings.

1 That's my understanding and I am seeing Mr.
2 Klestadt nod and I believe I saw Mr. Carroll nod, but I would
3 ask that both of you gentlemen just confirm that I got it
4 right. I do believe this is precisely what we discussed a
5 few moments ago.

6 Mr. Klestadt?

7 MR. KLESTADT: Your Honor, Tracy Klestadt. Yes,
8 that's correct. We would be still required to file an
9 application for substantial contribution under Section
10 503(b), on notice to all creditors and approval by the Court.

11 THE COURT: So noted.

12 Mr. Carroll?

13 MR. CARROLL: That is correct, Your Honor.

14 THE COURT: Very good. All right.

15 Ms. Tancredi, any other questions?

16 MS. TANCREDI: No, Your Honor. Thank you very
17 much.

18 THE COURT: Sure. All right. Any other parties
19 with questions?

20 (No verbal response)

21 THE COURT: Very good.

22 Again, I appreciate everyone's time this morning.
23 Mr. Carroll, I'll look for that order under certification and
24 we'll have that entered today. Again, I think it would be
25 helpful to the New York court to know that the stip has been

1 entered and so there's no slip between the cup and the lip.

2 With that, again, I appreciate everyone's time
3 this morning. We are adjourned.

4 COUNSEL: Thank you, Your Honor.

5 (Proceedings concluded at 11:38 a.m.)
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CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling

May 16, 2022

William J. Garling, CET-543

Certified Court Transcriptionist

For Reliable

/s/ Tracey J. Williams

May 16, 2022

Tracey J. Williams, CET-914

Certified Court Transcriptionist

For Reliable